

Insert cover letter here

CITY OF DOWNEY ADDENDUM CHECKLIST

☒ Cover Letter addressed to the Department Director:

A cover letter addressed to the department director has been placed attached to the front of this document.

☒ Application Information Page:

An updated Application Information Page is attached.

☒ Budget Page with the approved line-items:

The budget page and approved line items were reviewed and attached to this document. There were no changes to dollar amounts or line items.

☒ EAC Briefing Page:

The EAC Briefing Page is attached.

☒ Detailed Cost Analysis Page:

The Detailed Cost Analysis submitted with the application was reviewed. Number 7 was updated to demonstrate recent communications between the lead engineer and the city. There were no other changes and the updated analysis page is attached. Also attached is the engineer's cost estimate.

☒ Project and Schedule Page:

The project schedule was examined by the engineering firm staff and the city to insure that all actions, permits, winter shutdown, acquisition and reviews have been determined and scheduled. The project schedule from the application was adjusted to more accurately reflect the months of bidding and construction. A bar chart project schedule was designed by the engineering firm. Both schedules are attached to this document.

☒ Provide written evidence of the community's ability to secure the local and other match committed to the project:

The attachments listed below document the City's ability to secure the match requirements for the project.

1. A letter dated 6/11/08 is attached from the City of Downey committing \$100,000 of city cash to the project.
2. The community has passed a bond which has been purchased by USDA. Attached is a letter dated 12/5/07 from USDA approving a loan of \$1,360,000 and grant of \$460,000.

Items numbered 3 through 6 document the city match portion of the water study costs.

3. The attached letter from the Department of Water Resources dated 4/25/03 documents that the IDWR participated in a matching grant with the city.
4. Two pages from a contract with the Idaho Water Resource Board are attached. Page 1 of the contract agreement documents the \$7,500 grant was initiated and page 2 documents that this is a 50% grant and 50% match arrangement.

5. Attached is a copy of the Idaho DEQ Quality Drinking Water Grant Agreement of 2008 documenting a project of \$16,016 with \$8,008 grant and \$8,008 match. The City paid additional funds to complete the facility study.
6. Attached is a letter from DEQ dated 2/20/09 documenting additional grant. This is a 50/50 match grant.
7. Attached is a copy of the Professional Services Agreement dated 5/9/06 with SICOG to perform grant writing and other services for the project. This contract amount is \$3,000.
8. Attached is a copy of the Professional Services Agreement dated 4/3/07 with SICOG to initiate an Environmental Review. This contract amount is \$500.00.

☒ Clear Title of Property:

Not Applicable. There is no new land involved in this project.

☒ Provide pro forma or underwriting assessment by the lending agency on how rates were determined:

The lending agency, USDA, determined rates by gathering relevant information and applying it to a formula. This seven page document is attached and demonstrates that the city monthly EDU rate is \$ 40.00 and an additional .50 per thousand gallons of water used. Without the Block Grant funding assistance, the project would increase the cost to users by \$11.00 per household. The cost per user would rocket to \$51.00 per household. The USDA determined rate of \$40.00 has been in effect since January 2008.

☒ Loan Amount Determination for Fire Station or Infrastructure to Housing Projects:

Not applicable.

☒ Documentation that a Fair Housing Resolution has been adopted and advertised:

A Fair Housing Resolution was passed in April 2007. The City designated April as Fair Housing Month on April 10, 2007. The City publishes the Fair Housing Resolution every April. The most recent publication is April 2008. The City has designated a Fair Housing Resource Person. Please see attachments for documentation of Resolution, Designation of Fair Housing Month, recent publication and designation of resource person.

☒ Scope

There are no changes to the scope of the project from the original application.

☒ Questions on Cover Letter

There was one question on the cover letter. The question asks for documentation that the environmental review for Phase I has been approved by Idaho DEQ.

The water study has been approved and accepted by DEQ. As part of the water study, the Environmental Review for Phase I was also approved. Attached to this document please find a letter from DEQ dated January 14, 2009. This letter documents final FONSI determination for the Project. A letter from DEQ to the city dated February 24, 2008 is also attached. The second paragraph documents approval of the water study.

ICDBG APPLICATION INFORMATION FORM

Applicant: City of Downey Chief Elected Official: Mayor Dennis Phillips
 Address: 15 South Main Street, PO Box 204, Downey, ID 83234 Phone: :208-897-5342
Application Prepared by Susan Lorenz, Southeast Idaho Council of Gov Phone: 208-233-4032 ext. 32
 Address: P.O. Box 6079, Pocatello, ID 83205-6079
Architect/Engineer/Planner: Robert Ramsey Jr., Civil Science Phone: 208-421-0891
 Address: 450 Falls Avenue, Twin Falls, ID 83303-1901

NATIONAL OBJECTIVE (MARK ONE)

☒ LMI Area ☐ LMI Clientele
☐ LMI Jobs ☐ Slum & Blight
☐ Imminent Threat

PROJECT TYPE (MARK ONE)

☒ Public Facility/Housing ☐ Community Center
☐ Economic Development ☐ Senior Center
☐ Imminent Threat ☐ Other

PROJECT POPULATION TO BENEFIT (PERSONS): (Census/Survey/Clients/Jobs)

TOTAL # TO BENEFIT: 617

TOTAL # LMI TO BENEFIT: 347

% LMI TO BENEFIT: 56%

% MINORITY POPULATION: 2.9%

PROJECT DESCRIPTION: The City of Downey must fence and berm multiple springs, redevelop springs, and replace exposed transmission pipe. The fencing and berming will provide protection from the existing contamination exposure from surface water and cows. Redevelopment of springs will increase the water source supply. Replacing exposed pipe will increase the safety of the water supply.

SOURCE	AMOUNT	DATE APPLICATION SUBMITTED	RESERVED/ CONDITIONAL AWARD	FUNDS COMMITTED/ CONTRACT AWARD DATE	DOCUMENTATION IN APPENDIX
ICDBG	500,000				
Local Cash	125,000			November 2007	Exhibit 7
Local Loan*	1,365,000	November 2006		December 2007	Exhibit 7
Local In-Kind**	10,000			November 2007	Exhibit 7
USDA-RD Grant	460,000	November 2006		December 2007	Exhibit 7
DEO Grant					
IDWR	7,500	March 2002		April 2003	Exhibit 7
State Grant	0				
Foundation	0				
Private	0				
TOTAL PROJECT FINANCING	2,467,500				

*Identify Loan Source(s): USDA has purchased the bond. Date Bond Passed November 07, 2007.

**Describe In-Kind Match by type and amount: In-kind match consists of using infill materials from the city-owned gravel pit. Cash match was provided by the City which paid \$3,500 toward Project Development, \$14,000 for the 2007 study, \$7,500 for the 2003 study, and \$10,000 for legal and audit fees. The City is also contributing an additional \$100,000 in cash to construction.

BUDGET

ICDBG BUDGET FORM

	PHASE ONE				PHASE TWO			
Line Items	USDA Grant	USDA Loan	City Cash	Water Resources Facility Grant	In-Kind	City Cash	Block Grant	Total
Planning						3,500		3,500
Facility Plan				7,500		21,500		29,000
Grant Administration							50,000	50,000
Design Professional		98,360	38,250			16,750	54,250	207,610
Construction	460,000	1,216,640	35,000		10,000		395,750	2,117,390
Legal and Audit			8,000			2,000		10,000
Financing Expenses		50,000						50,000
TOTAL COSTS	460,000	1,365,000	81,250	7,500	10,000	43,750*	500,000	2,467,500

*In addition to the up-front planning cash, **\$100,000 has been approved** to count as match in Phase Two even though a portion of it was spent in Phase One. See IDC letter in Exhibit 7.

BUDGET NARRATIVE

Planning: The city expended \$3,000 for financial packaging and grant writing services. The city also paid \$500 to help fund the environmental review work.

Facility Plan: The facility plan was submitted in 2003. This \$15,000 study was funded with 50% grant and 50% City cash: \$7,500 grant from the Idaho Department of Water Resources (IDWR) and \$7,500 of cash match. The City paid an additional \$8,000 to update and complete the study in 2006 and an additional \$6,000 in 2009 to complete the DEQ approval process. These three amounts come to a total **cash match for the facility study of \$21,500.**

Grant Administration: The grant administration will be 10% of the amount of the ICDBG grant.

Design Professional: These costs include the engineering services for preliminary and final design work. The costs for bidding and construction oversight are also included.

Construction: The construction costs include the cost of equipment, labor, transportation, materials, transportation of materials, traffic control and surveying.

Legal and Audit: The legal costs include the cost of the bonding attorney and estimated costs for legal services to review documents and provide a legal opinion if required. This also includes costs associated with the audit required after completion of the grant.

Financing Expenses: The USDA loan has associated financing costs: The funds are distributed during the project with an interim financing account. When the entire loan amount is financed, then USDA distributes the loan funds.

Block Grant: The Block Grant is for \$500,000. Ten percent of the block grant amount will be used for administration of the grant. The remainder of the grant will be used to pay for design costs and construction costs.

USDA Grant: This fund will be used to pay for construction costs.

USDA Loan: The USDA loan will be used to pay construction, design and financing costs.

IDWR Facility Grant: This fund was used to pay for 50% (\$7,500) of the costs (\$15,000) of the 2003 Facility Study.

City Cash Phase One and Phase Two: The City paid \$3,000 for project development and grant writing services and \$500. The facility plan was started in 2003 with a \$15,000 project of which \$7,500 was City cash match. The Facility Plan Study was updated in 2007 with a grant for \$16,000 of which \$8,000 was city cash. In 2009 DEQ requested additional information for the Study which was funded with a DEQ grant and city cash of \$6,000.

The City is contributing \$125,000 of cash to the project. \$25,000 has already been expended as described above. A portion of the additional \$100,000 is in Phase One: \$38,250 for design, \$35,000 for construction and \$8,000 for legal and audit expenses. In Phase Two, the city cash is distributed with \$16,750 in design and \$2,000 in audit and legal expenses. The Department of Commerce has given permission for the entire \$100,000 cash to be considered as cash match for the purposes of this application. The City has incurred approximately \$8,000 in fees for the services of a bonding attorney and there may be some legal fees for reviewing contracts and documents. It is estimated that one or two thousand dollars will be needed for costs related to the audit at the end of the project. Please see Exhibit 7 of the application for cash match documentation.

City In-Kind: The city will contribute infill materials from the city-owned gravel pit. The city will contribute \$10,000 infill material for Phase Two.

The total amount of the project indicated by this budget is \$2,467,500. Please note the engineering cost estimates listed in Exhibit 8 are for a project cost of \$2,432,000. The engineering cost estimates do not include the planning costs and the facility plan costs. When added onto the stamped engineering cost estimates, the total project comes to \$2,467,500.

ECONOMIC ADVISORY COUNCIL

The City of Downey received deficiencies from the Idaho Department of Environmental Quality (IDEQ) for exposure to contamination at the main water spring and for problems with the distribution system. The project was divided into two phases, the first being the distribution system and the second being the work on the springs and transmission line. Phase One (\$1,365,000 in loan funds and \$460,000 in USDA grant) has been funded and is currently in the bidding stage. Phase Two will resolve the problems at the springs and with the transmission line. It was necessary to divide the project into two phases because the distribution system was funded in full. Waiting for the springs work to get funded would have driven the project costs upward, so it was decided to move ahead. We have found that we get better prices in Southeast Idaho when it is possible to bid late in the fall. Contractors are looking for opportunities to keep their crews working until a winter shutdown is necessary.

This application will fund Phase Two, the work at the springs (\$518,750 combination of block grant and city cash). The springs supply water to the city, and this area is exposed to possible contamination from grazing cattle and surface water. IDEQ has issued two violations for conditions at the springs. Both deficiencies address unsafe exposure. In the first deficiency, IDEQ states: *The area within 100 feet of all the springs collection areas is not fenced to prevent trespass of livestock.* In the second deficiency IDEQ states: *the city is required to ensure that the surface water is diverted from the 100 foot protection zone around all spring collection areas.* The deficiency tells the city that the exact location of all springs collection areas and/or springs collection boxes must be appropriately fenced and all surface water must be diverted out of the protection zones.

Satisfying these deficiencies presents a challenge to the city because the city water is provided by many different springs, not just one or two. The springs are located up two different arms of a canyon, effectively providing a challenge similar to that of two separate canyons, and the land is very steep. Another challenge is that the distance between the springs range from a few feet to half a mile. The deficiencies can be met by berming and fencing the multiple springs areas. See Exhibit 15 to view a series of pictures that demonstrate the challenges of fencing and burming.

The project also includes making improvements to the transmission line. The transmission line is exposed to freezing because the lines are not far enough under the ground. Some the lines are above ground. See photos in Exhibit 15. Phase Two of the project will rectify these problems with the transmission line by replacing and burying lines that do not meet the requirements for depth. The project also includes some spring redevelopment to increase the volume of water.

The City of Downey is contributing \$125,000 in cash and \$10,000 in in-kind work to the project. See Exhibit 10 to see outstanding community support. The community is very supportive of the project. The bond was passed with a 77% pass rate. The user rates have been increased to \$40.00 per month as a base rate and the LMI rate is 56.24 %.

Funding this \$500,000 block grant will allow this quaint little city to continue providing the surrounding farming community with gasoline, groceries, health care, senior services, elementary school for children and a volunteer fire department.

DETAILED COST ANALYSIS

1. Have preliminary plans and specs been submitted to regulatory agencies for review?

XX Yes ___ No

If yes, list date submitted: May 2006

If no, list expected date to be submitted: NA

2. Has final design (for bidding) begun? ___ Yes **XX** No

If yes, % complete:

If no, what is expected start date: January 01, 2009

3. Will project include bid alternatives to meet project budget as necessary?

XX Yes ___ No

4. Are Davis Bacon wage rates applicable? **XX** Yes ___ No

If yes, are they included in the project costs? **XX** Yes ___ No

5. Have known environmental measures been included in project budget? (ex. dust mitigation, archeological survey, storm water drainage, wetland mitigation, etc.)

XX Yes ___ No

6. What percent of contingency has been included in project budget? 10 %

7. List the last date the owner and design professional discussed project design and details.

Date: February 02, 2009

8. Design Professional Cost Estimate may be found in Appendix 8 of the application. An updated cost estimate is included in the addendum attachments.

PROJECT SCHEDULE		
Project Activity	Date (to be) Completed	Documentation in Appendix
Grant Administrator Procured	09/12/06	Exhibit 2
Eng/Architect Procured	07/14/06	Exhibit 3
Other Funding Secured	11/30/06	Exhibit 7
Permits Identified & Secured	10/02/08	Exhibit 14
Public Participation Plan	10/09/07	Exhibit 1
First Public Hearing	10/06 and 10/09/07	Exhibit 1
LMI Income Survey (no survey needed)	NA	Exhibit 4
Environmental Scoping Checklist	10/10/07	Exhibit 5
USDA and DEQ Environmental	July 2007	Exhibit 5
DEQ Environmental		
Fair Housing Proclamation	04/10/2007	Exhibit 6
Fair Housing Resolution	15/15/07	Exhibit 6
Cost Estimates Updated	10/16/08	Exhibit 8
Increased Water Rates	11/27/07 and 01/01/08	Exhibit 13
Sub recipient Agreement Drafted	NA	NA
CDBG Environmental Review Complete	04/09	
Complete 504 Requirements	07/09	
Complete Fair Housing Requirements	09/09	
Bids Advertised	06/09	
Start Construction	07/09	
Second Public Hearing	07/09	
Certificate of Substantial Completion	09/26/09	
Closeout	010/02/09	

insert Bar Chart

Insert cost estimateAttach match stuff here - copy it from the app

rates

Attach Fair Housing

Attach FONSI stuff